#### **REMARKS**

# The Rejection

Claims 7-12 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Karhu (EP 1 056 260 A2) [hereinafter "Karhu"].

# **Arguments**

#### The Prior Art Fails to Teach the Claim Elements

Karhu teaches a radio communications device in the form of a wristwatch (col. 4, lines 25-30) with at least one control member (15, 16) and a case in which is mounted an a microphone with an opening (3) and a loudspeaker with openings (2) (col. 4, lines 40-42). However, Karhu fails to teach, or even suggest, "two output channels opening out on either side of one of said control members and on the same side of the case with respect to the 6-12 o'clock axis" as recited in claim 7, as admitted by the Examiner (Office Action dated July 2, 2007, page 2).

Karhu also fails to teach an "acoustic output cavity ... in direct communication with the exterior via at least two output channels" as recited in claim 7. Instead, Karhu merely has loudspeaker openings (2), and not an output cavity in communication with the exterior via output channels. Indeed, Karhu notes that the "microphone and loudspeaker itself are placed within the housing 7 below the respective openings" (col. 4, lines 42-44). As discussed below, Karhu does not anticipate the advantages of the present invention as claimed.

Accordingly, because the prior art fails to teach the elements of the invention as presently claimed, Applicants respectfully traverse the rejection under § 103 and request reconsideration and withdrawal thereof.

### The Modification Proposed by the Examiner is Not Obvious

The Examiner notes that "there is no invention in shifting the position of a structure to a different position if the operation of the device would not be thereby modified." In re

Japikse, 86 U.S.P.Q. 70, 73 (C.C.P.A. 1950). However, such is not the case in the rejection of the claims over Karhu. On the contrary, the specification is replete with discussion on how the claimed arrangement is superior to the prior art in acoustic properties – this is a substantial modification of the operation of analogous devices in the prior art.

First, as noted in the specification, the position of the output channels "on either side of one of said control members and on the same side of the case with respect to the 6 - 12 o'clock axis" (claim 7) has advantages in that "different output orientations which [have] the effect of improving the transmission of acoustic signals towards the exterior" (page 4, lines 13-15). Karhu has no such advantages, instead presenting simple "openings for a loudspeaker" (col. 4, line 42).

Second, the relative position of the input and output channel (for example, as recited in claim 10), have ergonomic advantages over the prior art. The arrangement of the microphone and speaker in Karhu would require an awkward position of the arm and wrist as compared with Fig. 6 of the present application (see also page 4, lines 16-26). The claimed invention results in a natural positioning of the speaker near the user's ear and the microphone near the user's mouth.

Third, the use of an "acoustic output cavity" and "output channels" as claimed in the present invention permits free positioning of the speaker and microphone in a timepiece according to the present invention. In Karhu, in comparison, the "microphone and loudspeaker itself are placed within the housing 7 below the respective openings" (col. 4, lines 42-44). Karhu's arrangement puts stringent limitations on the positioning of the speaker and microphone, resulting in restrictions in the design of the watch. The invention as

Patent Application Serial No. 10/541,695 Attorney Docket No. **ICB0218** 

claimed permits the transducer to be offset from the output cavity (p. 4, lines 3-6).

In summary, the claimed arrangement provides considerable and unforeseen advantages over the prior art so as to be unobvious. Thus, for the above reasons, Applicants further traverse the rejection under  $\S$  103.

# Conclusion

For all of the above reasons, claims 7-12 are now in condition for allowance.

Therefore, Applicants respectfully request reconsideration of the application and withdrawal of the rejections, and a prompt notice of allowance is earnestly solicited.

Questions are welcomed by the below signed attorney for the Applicants.

Respectfully submitted,

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